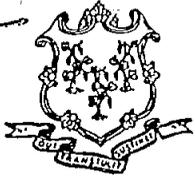


98-7



STATE OF CONNECTICUT  
STATE ETHICS COMMISSION

April 24, 1998

PRESS RELEASE

On January 14, 1998, Ethics Commission Attorney Rachel S. Rubin filed a Complaint against William R. Darcy, former President of the Connecticut Resources Recovery Authority. The complaint alleged that Mr. Darcy violated a provision of the Code's post-state employment rules.

On April 24, 1998, the Ethics Commission and the Respondent settled this matter by entering into a Stipulation and Order. Under the settlement, the Commission found that the Respondent unintentionally violated the Code, as alleged. The Respondent agreed to pay a civil penalty of \$1,000.

Copies of the Complaint and the Stipulation and Order are attached.

FOR MORE INFORMATION CALL:

Alan S. Plofsky  
Executive Director & General Counsel  
or  
Rachel S. Rubin  
Managing Director & Commission Attorney  
566-4472



STATE OF CONNECTICUT  
STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 98-2 ) STATE ETHICS COMMISSION  
IN THE MATTER OF A ) 20 TRINITY STREET  
COMPLAINT AGAINST ) HARTFORD, CT 06106  
WILLIAM R. DARCY ) APRIL 22, 1998

STIPULATION AND ORDER

Pursuant to Connecticut General Statutes §4-177(c), the State Ethics Commission and the Respondent agree to settle this matter in the manner described below:

1. The Commission finds that a Memorandum of Understanding ("MOU") can be a contract, for purposes of Conn. Gen. Stat. §1-84b(d). Furthermore, the Commission finds a violation can occur even if the contract does not obligate the state to pay \$50,000 or more to a party to the contract by which the state employee is subsequently employed. Rather, it is sufficient that an obligation to pay \$50,000 or more to a third party necessarily results from the signed contract and such obligation facilitates the signed agreement.
2. The Commission finds that the Respondent violated the Code of Ethics as alleged in the attached Complaint. However, the Commission acknowledges that the findings described in paragraph one above constitute the first formal ruling regarding the issue obligating the state to pay \$50,000 or more to a third party. Therefore, the Commission finds that the violation was unintentional.

3. Although the Respondent does not concede that the legal and engineering costs to develop the ash recycling project necessarily resulted from the signing of the MOU, in order to avoid the cost and time of litigation, the Respondent will not contest the Commission's findings. Furthermore, the Respondent states that, in his legal opinion and that of other lawyers he has consulted, there is no violation of the Code of Ethics, because, among other reasons: the MOU he signed is not a contract pursuant to Conn. Gen. Stat. §1-84b (d); and the MOU did not obligate the state to pay \$50,000 to a party to the contract or to anyone else from whom he subsequently received compensation.

4. The Respondent waives any rights he may have under Conn. Gen. Stat. §§1-80, 1-82, 1-82a, and 1-87, including the right to a hearing or appeal in this case, and agrees with the Commission to an informal disposition of this matter as authorized by Conn. Gen. Stat. §4-177(c).

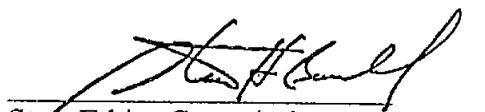
5. This Stipulation and Order shall not be evidence of a violation of any other Code of Ethics and/or any other Connecticut General Statute. This finding, Stipulation and Order is not admissible in, nor shall it be deemed to prejudice, any subsequent proceedings against the Respondent or any other person or company affiliated with Respondent.

WHEREFORE, the State Ethics Commission enters and the Respondent agrees to the following order in lieu of any other action regarding this matter:

The Respondent agrees to pay \$1000.00 to the State of Connecticut within thirty days of this Stipulation and Order.

  
Respondent William R. Darcy

4/22/98  
Dated

  
State Ethics Commission  
By: Stanley Burdick, Its Chairperson

4/24/98  
Dated



STATE OF CONNECTICUT  
STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 98-2 ) STATE ETHICS COMMISSION  
IN THE MATTER OF A ) 20 TRINITY STREET  
COMPLAINT AGAINST ) HARTFORD, CT 06106  
WILLIAM R. DARCY ) JANUARY 14, 1998

COMPLAINT

1. At all times relevant herein, the Respondent William R. Darcy was an employee of the Connecticut Resources Recovery Authority (CRRA), a quasi-public agency as defined in Conn. Gen. Stat. §1-79(l) of the Code of Ethics for Public Officials, Chapter 10, Part I, Connecticut General Statutes.
2. Pursuant to Conn. Gen. Stat. §1-79(m), employees of a quasi-public agency are state employees for purposes of the Code of Ethics for Public Officials.
3. Pursuant to Conn. Gen. Stat. §1-84b(d), no former state employee who participated substantially in the negotiation or award of a state contract obliging the state to pay an amount of fifty thousand dollars or more, or who supervised the negotiation or award of such a contract, shall accept employment with a party to the contract other than the state for a period of one year after his resignation from his state position, if his resignation occurs less than one year after the contract is signed.
4. On or about November 15, 1996, CRRA and American Ash Recycling Corp. signed a memorandum of understanding (MOU) for the design, construction, and operation of an ash recycling project.
5. The Respondent participated substantially in the negotiation of the MOU and signed the MOU on behalf of CRRA.
6. CRRA is the state for purposes of the Code of Ethics for Public Officials, Chapter 10, Part I, Connecticut General Statutes.

7. The MOU described in paragraph 4 above is a state contract for purposes of Conn. Gen. Stat. §1-84b(d).
8. On or about the day of the signing of the MOU and as a direct result of the signed MOU, CRRA issued a request for engineering services to evaluate the ash recycling project and engaged the services of an outside law firm to draft and negotiate the final terms of the project agreement.
9. The engineering and legal services described in paragraph 8 above obliged CRRA to pay an amount in excess of fifty thousand dollars.
10. On or about January 16, 1997, the Respondent resigned as an employee of CRRA.
11. Environmental Capital Holdings Inc. (ECH) is the parent company of American Ash Recycling Corp. and a guarantor named in the MOU.
12. On or about June 1, 1997 the Respondent began employment with ECH.
13. For purposes of the Code of Ethics for Public Officials, employment by the parent company, ECH, is equivalent to employment by the contracting party, American Ash Recycling Corp.
14. The Respondent's employment with ECH is a violation of Conn. Gen. Stat. §1-84b(d).

Rachel S. Rubin  
Signature

1-14-98  
Date

Complainant's Name and Address:

State Ethics Commission  
20 Trinity Street  
Hartford, CT 06106-1660

Complainant's Telephone Number:

(860) 566-4472